



## PRESS RELEASE

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### **TELECOM ITALIA: TWO TRANCHE BOND ISSUE FOR A TOTAL OF 1.5 BILLION EURO. THE SUCCESS OF THE DEAL CONFIRMS CAPITAL MARKETS' FULL SUPPORT TOWARDS THE GROUP**

*Milan, 11 June 2012*

Telecom Italia successfully issued a two tranche Euro fixed rate bond, tenor 3 year and 6 and a half year, for a total of Euro 1.5 billion offered to institutional investors.

The quality of the orders book reflects the market's positive attitude towards Telecom Italia's credit and allowed the company not only to materially increase the size of the issue but also to price it at a lower yield than the initial guidance.

More specifically, the average yield of the issue stands at 5.462%, in line with the Group's average cost of debt.

The proceeds of this issue will be used to refinance maturing debt.

Details are:

3 year Tranche

Issuer: Telecom Italia S.p.A.

Amount: Euro 750 million

Settlement date: 15 June 2012

Maturity: 15 June 2015

Coupon: 4.625%

Issue price: 99.685%

Redemption price: 100%

The actual yield to maturity is 4.74%, corresponding to a yield of 378 basis points above the reference rate (mid swap).

6 and 1/2 year Tranche

Issuer: Telecom Italia S.p.A.

Amount: Euro 750 million

Settlement date: 15 June 2012



Maturity: 14 December 2018

Coupon: 6.125%

Issue price: 99.737%

Redemption price: 100%

The actual yield to maturity is 6.184%, corresponding to a yield of 473 basis points above the reference rate (mid swap).

The notes will be issued under the Group's Euro 20 billion EMTN programme and will be listed on the Luxembourg Stock Exchange.

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